



# NASA Policy Directive

**NPD 1000.5**

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**COMPLIANCE IS MANDATORY**[Printable Format \(PDF\)](#)

Request Notification of Change

 (NASA Only)

## Subject: Policy for NASA Acquisition

**Responsible Office: Office of the Chief Engineer**

### 1. POLICY

#### ACQUISITION OVERVIEW

This NASA Policy Directive (NPD) provides the overall policy framework of NASA's disciplined, comprehensive strategic acquisition process with appropriate references to other key processes and directives. This acquisition process complies with NASA obligations as a Federal agency and is tailored to each of NASA's major areas of investment to ensure the efficient, effective use of the resources entrusted to the Agency.

NASA defines acquisition as the process for obtaining the systems, research, services, construction, and supplies that the Agency needs to fulfill its mission. Acquisition--which may include procurement (contracting for products and services)--begins with an idea or proposal that aligns with the NASA Strategic Plan and fulfills an identified need and ends with the completion of the program or project or the final disposition of the product or service.

Acquisition supports development of Agency-level strategies and plans; evaluation of an identified mission need and the impact of any constraints; and the associated evaluation, planning, approval, implementation (including operations, sustainment, and disposal), review, control, and monitoring throughout the life cycle of the asset or capability being acquired.

Together, governance and strategic management as defined in NPD 1000.0, NASA Governance and Strategic Management Handbook, form the foundation for NASA acquisition. The goal of NASA's acquisition process is to effectively and efficiently support programs and projects in meeting their programmatic, institutional, technical, cost, and schedule commitments. NASA's broad concept of acquisition means that everyone in NASA and everyone supporting NASA has a role in acquisition.

The strategic acquisition process enables NASA management to consider the full spectrum of acquisition approaches--from commercial off-the-shelf buys to total in-house design and build efforts, where NASA has a unique capability and capacity or the need to maintain or develop such capability and capacity. The Agency will go through this "make or buy" decision on whether to acquire the capability in-house, acquire it from outside the Agency, or acquire it by a combination of the two early in the strategic acquisition process, preceding the definition of any specific procurement. Strategic acquisition is used to promote best-value approaches (taking into account the Agency as a whole), encourage innovation and efficiency, and take advantage of state-of-the-art solutions available within NASA and from industry, academia, other Federal agencies, and international partners.

Acquisition is grounded in NASA's long-term goals and objectives and high-level strategic plan as laid out in the NASA Strategic Plan (NPD 1001.0). A strategic acquisition framework enables and applies the short- and long-term Center capabilities necessary, together with procurements, to efficiently and effectively execute the strategic plan.

Strategic acquisition planning and authorization ensures that informed decisions are made in a timely manner with a long-term perspective. Such decisions must integrate competing goals and objectives and also balance cost and budget requirements with risks to serve the Agency's overall mission.

Acquisition is supported by NASA's strategic management system, which augments the governance structure with the detailed processes necessary to support efficient, effective execution of Agency programs and projects. These processes include the program and project management system, the budget process, the procurement system, and other supporting systems. The NASA Planning, Programming, Budgeting, and Execution (PPBE) process supports

allocating the resources of programs through the Agency's annual budgeting process (Financial Management Requirements (FMR), Vol. 4, Chapter 3). The NASA procurement system supports the acquisition of assets and services from external sources (Federal Acquisition Regulation (FAR) and NASA FAR Supplement (NFS)).

Acquisition is accomplished through programs and projects, including institutional projects, and their supporting activities. Once an initiative is accepted as a new program or project, it is managed as appropriate by major area of investment through NASA's program and project management processes and requirements in the following documents:

--NPD 7120.4, Program/Project Management.

--NPR 7120.5, NASA Space Flight Program and Project Management Requirements.

--NPR 7120.7, NASA Information Technology and Institutional Infrastructure Program and Project Management Requirements.

--NPR 7120.8, NASA Research and Technology Program and Project Management Requirements, and supported by NPR 7123.1, NASA Systems Engineering Processes and Requirements. Other supporting policy is detailed in the documents listed in Attachment C.

When a need for a capability is first identified, the Agency must examine and consider acquisition alternatives from several perspectives, such as preservation of core competencies and unique facilities, maturity of technologies affecting the technical approach, priorities from the Administration and Congress, or commercialization goals (national policy objectives to develop commercial capabilities and/or support international competitive posture).

NASA must plan for the renewal of human and capital assets. Because NASA often builds one-of-a-kind systems rather than high-production units, it is essential to maintain strong in-house capabilities at NASA Centers and the Jet Propulsion Laboratory (JPL) for the development phases of programs and projects. Therefore, it is important that NASA keep high competency levels in program and project management, systems engineering, and science and engineering discipline competencies within the NASA workforce. An acquisition strategy is developed only after NASA assesses its in-house capabilities.

A decision to acquire products, capabilities, knowledge, or services from outside the Agency could encompass several alternatives such as contracts with industry and universities, interagency agreements, or international cooperation (as permitted by Federal regulations). The Agency, in the fulfillment of its mission, may also provide financial assistance in the form of grants or cooperative agreements to foster activities that forward the Agency's mission.

Three key decision forums are used for the acquisition process:

The Acquisition Strategy Planning (ASP) meeting is held at the Agency level and provides the strategic framework for addressing challenges associated with fully utilizing NASA Centers' capabilities, including workforce and infrastructure, and shaping the Agency. It also provides an early view of potential major acquisitions and changes in portfolio content so that senior Agency management can consider issues such as the appropriate application of new Agency and Executive Branch initiatives, current portfolio risk and implications for the future portfolio, high-level make-or-buy strategy, and the placement of development or operations work in-house versus out-of-house. Major acquisitions are those that are directed toward and critical to fulfilling the Agency mission that entail the allocation of relatively large resources, and that warrant special management attention.

The Acquisition Strategy Meeting (ASM) is a forum where senior Agency management reviews major acquisitions in programs and projects before authorizing budget expenditures. The ASM is held at the Mission Directorate/Mission Support Office level, implementing the decisions that flow out of the ASP meeting and recommending implementation plans for approval. The purpose of the ASM is to review the acquisition strategy at a later and more mature stage in the planning cycle than the ASP review. The ASM focuses on considerations such as impacting the Agency workforce, maintaining core capabilities and make-or-buy planning, and supporting Center assignments and potential partners.

The Procurement Strategy Meeting (PSM) enables approval of the approach for major procurements. The PSM is focused at the program/project level and can be chaired by Headquarters or the Center hosting the program/project. It implements the decisions that flow from the ASP and ASM. Detailed PSM requirements and processes, prescribed by the FAR and NFS and formulated by the Office of Procurement, ensure the alignment of portfolio, mission acquisition, and subsequent procurement decisions.

It is NASA policy to:

a. Have checks and balances built into the acquisition process that ensure:

(1) Center capabilities required to efficiently and effectively implement the NASA Strategic Plan are maintained, including workforce and infrastructure, over both the short and long term.

(2) Prior to acceptance, all major new acquisitions and significant adjustments to portfolio content are reviewed by senior Agency management to ensure they fulfill an identified need that is aligned with the NASA Strategic Plan (NPD 1001.0) and are compatible with expected resources and capabilities. This is generally accomplished by the

ASP review process and evaluation of issues such as the appropriate application of new Agency and executive branch initiatives, current portfolio risk and implications to the future portfolio, high-level make-or-buy strategy, and the placement of development or operations work in-house versus out- of-house.

(3) Before authorizing resource expenditures for major acquisitions, the acquisition strategy is reviewed and agreed upon by senior Agency management. This includes consideration of resource availability, implementation of the decisions and guidance that flowed out of the ASP meeting, impact on the Agency workforce, maintaining core capabilities, make-or-buy planning, supporting Center assignments, and potential partners. This is generally accomplished with an ASM review held at the Mission Directorate/Mission Support Office level and results in recommending implementation plans for approval.

(4) Before placement of major procurement contracts, proper implementation of NASA procurement policy and requirements and decisions and guidance from the ASP or ASM is to be confirmed. This is generally accomplished at a PSM, held at the program or project level. The requirements and process for the PSM are prescribed by the FAR and NFS and formulated by the Office of Procurement to ensure the alignment of portfolio, mission acquisition, and subsequent procurement decisions.

(5) Continual focus on safety and mission assurance as the cornerstone of mission success (as specified in NPD 8700.1, NASA Policy for Safety and Mission Success). NASA is committed, individually and as a team, to protecting the safety and health of the public, its team members, and those assets that the Nation entrusts to the Agency.

b. Ensure all acquisitions are executed in a manner consistent with the Agency's core values of safety, excellence, teamwork, and integrity.

c. Have an acquisition process that complies with:

(1) All applicable laws and regulations.

(2) Applicable Agency and Center directives, requirements, procedures, and processes unless relief is granted by a formal waiver.

d. Execute acquisitions through a strategic and disciplined management system employing:

(1) Clearly defined roles, responsibilities, processes, and requirements for planning and execution.

(2) Both a near- and far-term perspective.

(3) A requirements management process that ensures clear, concise, verifiable, valid, and properly documented and controlled acquisition requirements to promote compliance and understanding.

(4) Adequate checks and balances such as Technical Authority, Dissenting Opinion, independent review, quality assurance, and tailoring principles.

(5) Monitoring and metrics to ensure effective implementation.

(6) Appropriate approvals.

(7) A process that ensures all applicable lessons learned are incorporated into appropriate directives, standards, requirements, design principles, or other requirements documentation.

(8) The concept that a signature is a commitment for which an individual is accountable.

(9) The recognition that an individual signing an agreement on behalf of an organization is committing the organization and possibly the signatory's successor to that agreement.

(10) The concept that a signed agreement between employees of organizations is a binding agreement between those organizations. As such, acceptance of a change to the agreement requires a mutual modification or amendment to the agreement or a new agreement. If achieving such mutuality is not possible, the issue is to be resolved by the NASA Dissenting Opinion process for internal NASA disputes. (NPD 1000.0)

e. Ensure that personnel involved in the acquisition process have the appropriate skills, competencies, and certifications across the range of management, technical, and business disciplines necessary to carry out their individual acquisition responsibilities.

f. Ensure that organizations having a substantive interest in an acquisition are effectively integrated into the acquisition process as early as appropriate and throughout the duration of the organizations' interest to include their needs, to benefit from their experience, and to encourage communication.

g. Base acquisition on realistic cost estimates and achievable schedules that are consistent with:

(1) Coverage of all costs associated with obtaining a specific product or service including:

(a) Costs such as institutional funding requirements, technology investments, and multicenter operations.

- (b) Costs associated with Agency constraints.
- (c) Efficient use of Agency capital investments, facilities, and workforce.
- (2) Resources likely to be available in future years.
- (3) Evaluation of suppliers' qualification and past performance and the realism embodied in the suppliers' cost and schedule proposals.
- (4) Reconciled independent estimates when appropriate or required.

h. Base programs and projects involved in space flight and information technology per NPR 7120.5, NASA Space Flight Program and Project Management Requirements, and NPR 7120.7, NASA Information Technology and Institutional Infrastructure Program and Project Management Requirements on the following:

(1) For implementation of each major program segment (e.g., Constellation- -full ISS capability, lunar exploration, etc.), programs and projects are to be baselined or rebaselined and budgeted based on a joint cost and schedule probabilistic analysis developed by the program or project in accordance with the following:

(a) Programs are to be baselined or rebaselined and budgeted at a confidence level of 70 percent or the level approved by the decision authority of the responsible Agency-level management council. For a 70 percent confidence level, this is the point on the joint cost and schedule probability distribution where there is a 70 percent probability that the project will be completed at or lower than the estimated amount and at or before the projected schedule. The basis for a confidence level less than 70 percent is to be formally documented.

(b) Projects are to be baselined or rebaselined and budgeted at a confidence level consistent with the program's confidence level.

(2) As a minimum, projects are to be funded at a level that is equivalent to a confidence level of 50 percent or as approved by the decision authority of the responsible management council.

(3) Joint cost and schedule confidence levels are to be developed and maintained for the life cycle cost and schedule associated with the initial lifecycle baselines (e.g., for space flight programs and projects baselines established at KDP-1 or KDP-C).

(a) The initial life cycle baselines may include development of an initial operational capability, initial operations, and sustaining engineering consistent with the definition of the content of the life cycle, along with the traditional development effort.

(b) The cost estimating methodology used for operational phases may be different than those used for other portions of the lifecycle. The operations phase methodology will be reviewed and utilized as a component of the integrated program/project lifecycle confidence level calculations.

(4) Programs and projects that are in extended operational phases are generally not required to develop or maintain confidence level estimates. The adequacies of budget requests for extended operational phases are to be demonstrated and evaluated through the annual budget cycle processes. The Agency policy on joint cost and schedule confidence level estimating applies to significant developments related to new or upgraded capabilities included in extended operations.

(5) The program's or project's proposed cost and schedule baseline are to be assessed by an independent review team. The program or project is to present and justify its resulting cost and schedule to the decision authority of the responsible Agency-level management council. The independent review team is to discuss with the decision authority its key concerns with the plans and baselines proposed by the program or project.

(6) Commitments made to organizations outside NASA are to be based on the budgeted cost and schedule associated with the confidence level approved by the decision authority of the responsible Agency-level management council.

(7) Programs and projects are to be annually reviewed by the responsible Mission Directorate or Mission Support Office to confirm to the decision authority of the responsible Agency-level management council that their current baseline life-cycle cost estimates and funding strategy and the annual NASA budget submissions are consistent. Significant changes to funding strategy are to be reviewed with and approved by the decision authority of the responsible Agency-level management council.

i. Meet programmatic, institutional, technical, cost, and schedule commitments.

j. Incorporate in the overall Agency risk management strategy a risk- informed acquisition process that includes the identification, analysis, and management of programmatic, infrastructure, technical, environmental, safety, cost, schedule, management, industry, and external policy risks that might jeopardize the success with which the Agency executes its acquisition strategies.

k. Require consistency of acquisition commitments with cost estimates by fiscal year and applicable Federal budget

account projections to ensure overall alignment with expected Agency resources and to standardize internal and external reporting. These commitments and estimates must be up to date when needed to support the annual NASA budget preparation cycle.

l. Consider the full spectrum of acquisition approaches, taking into consideration preserving the Agency's core competencies, maximizing competition, managing risks, and providing best value when developing an acquisition strategy. Seek to optimize the use of NASA's, industry's, and academia's core expertise and maintain the required supporting workforce and industrial base.

m. Have an acquisition process that respects and appropriately maintains the relationship between NASA, as the customer, and its suppliers, including their separate roles and responsibilities. When dealing with external suppliers, NASA speaks with a single voice and represents the Agency's own interests.

n. Develop acquisition strategies that promote competition and small business participation throughout the acquisition process. Small business participation may be direct or, where such participation is not available, through fostering prime contractor teaming arrangements with small business concerns.

o. Require those substantially involved in the acquisition process to fully disclose their financial interests and avoid personal conflicts of interest to the greatest extent possible in all acquisitions.

## **2. APPLICABILITY**

This NPD is applicable to NASA Headquarters and NASA Centers, including Component Facilities and Technical and Service Support Centers. This language applies to JPL, other contractors, grant recipients, or parties to agreements only to the extent specified or referenced in the appropriate contracts, grants, or agreements.

## **3. AUTHORITY**

- a. 42 U.S.C. 2473 (c)(1), Section 203(c)(1) of the National Aeronautics and Space Act of 1958, as amended.
- b. The Federal Acquisition Regulation (FAR), issued as 48 Code of Federal Regulations (C.F.R.), Chapter 1.
- c. NPD 1000.0, NASA Governance and Strategic Management Handbook.
- d. NPD 1000.3, The NASA Organization.

## **4. APPLICABLE DOCUMENTS**

- a. The NASA FAR Supplement (NFS), issued as C.F.R., Chapter 18.
- b. NPD 1001.0, NASA Strategic Plan.
- c. NPD 7120.4, Program/Project Management.
- d. NPD 8700.1, NASA Policy for Safety and Mission Success.
- e. NPR 7120.5, NASA Space Flight Program and Project Management Requirements.
- f. NPR 7120.7, Information Technology and Institutional Infrastructure Program and Project Management Requirements.
- g. NPR 7120.8, NASA Research and Technology Program and Project Management Requirements.
- h. NPR 7123.1, NASA Systems Engineering Processes and Requirements.

## **5. RESPONSIBILITY**

All NASA employees have a role in acquisition and responsibility to execute the activities they perform in support of meeting programmatic, institutional, technical, cost, and schedule commitments in a manner that:

- a. Is consistent with the Agency's core values of safety, excellence, teamwork, and integrity.
- b. Is in accordance with Agency and Center policy, directives, requirements, procedures, and processes unless relief is granted by a formal waiver.
- c. Recognizes that a signature is a commitment for which an individual is accountable.
- d. Supports full disclosure and avoids conflicts of interest to the greatest extent possible.



## Specific Responsibilities

### a. The Administrator shall:

Ensure all major new acquisition initiatives fulfill an identified need aligned with NASA's Strategic Plan.

### b. The Deputy Administrator shall:

(1) Serve as the Agency's Chief Acquisition Officer.

(2) Ensure the execution of institutional acquisitions through NASA's disciplined and strategic management system.

### c. The NASA Associate Administrator shall:

Ensure the execution of noninstitutional program and project acquisitions through NASA's disciplined and strategic management system.

### d. The Associate Administrator for Program Analysis and Evaluation (PA&E) shall:

(1) Provide objective, transparent, and multidisciplinary analysis of programs to inform strategic decision making.

(2) Develop the Agency's Strategic Plan, including leading the NASA strategic planning process, to ensure alignment of NASA's mission, budget, goals, and institutional requirements.

(3) Be responsible for independent assessment of programs, projects, and activities, including development of realistic cost estimates and schedules and identifying and analyzing risks that might jeopardize accomplishment of programmatic, institutional, technical, environmental, safety, cost, or schedule commitments.

(4) Ensure that, through the PPBE process, resources are strategically aligned and managed to meet the Agency's goals.

(5) Ensure standardized internal and external reporting on project performance.

### e. The Director of the Independent Program Assessment Office (IPAO) shall:

Ensure that acquisition is based on realistic cost estimates and schedules that are consistent with reconciled independent estimates when appropriate or required.

### f. The Assistant Administrator for Procurement shall:

(1) Serve as the Agency's Deputy Chief Acquisition Officer, Senior Procurement Executive, and Competitive Sourcing Official.

(2) Prescribe Agency-wide policies, strategies, regulations, and procedures governing the conduct of all NASA procurements and financial assistance activities (excluding the Space Act) within the framework of national and Agency policy and applicable laws and regulations.

(3) Ensure statutory, regulatory, and fiduciary compliance and oversee reporting required by Congress, the Office of Management and Budget (OMB), and other external bodies.

(4) Ensure procurement personnel and Contracting Officer's Technical Representatives (COTRs) have training that covers the necessary skills and competencies across the range of management, technical, and business disciplines necessary to carry out their individual responsibilities.

(5) Ensure personnel involved in the acquisition process are fully proficient across the range of management, technical, and business disciplines necessary to carry out their individual responsibilities.

(6) Ensure that contractors/suppliers are encouraged to submit cost and schedule proposals that are realistic for the work to be performed. Evaluate contractors'/suppliers' proposed costs and schedules for realism and use this information as a basis for the resultant procurements.

(7) Respect and appropriately maintain the relationship between NASA, as the customer, and its contractors and suppliers, including their separate roles and responsibilities. When dealing with external suppliers, speak with a single voice for the Agency and represent the Agency's own interests.

(8) Ensure that procurement strategies are structured to facilitate small business participation throughout the process by direct participation or, where such participation is not available, through fostering prime contractor teaming arrangements with small business concerns.

### g. Mission Directorate Associate Administrators and Mission Support Office officials shall:

(1) Ensure all major new acquisition initiatives and ongoing programs and projects in their portfolio fulfill an identified need aligned with NASA's Strategic Plan.

(2) Consider the full spectrum of acquisition approaches when developing an acquisition strategy.

(3) Base acquisition on realistic cost estimates and schedules.

(4) Ensure that a risk-informed acquisition process is included in their risk management activities. This risk-informed acquisition process shall include acquisition performance requirements and measures and the identification, analysis, and management of programmatic, infrastructure, technical, environmental, safety, cost, schedule, management, industry, and external policy risks that might jeopardize the success of acquisition plans and strategies.

(5) Ensure consistency between acquisition cost estimates and commitments by fiscal year and their roll up to applicable Federal budget account projections so that internal and external reporting are consistent.

(6) Ensure that individual programs and projects are budgeted and have funding strategies in accordance with the acquisition policies stated in this document and as approved by the relevant decision authority of the responsible management council.

h. Center Directors shall:

(1) Serve as the Control Account Managers for the management and operations budget for their Center.

(2) Develop, manage, and sustain the Center's institutional capabilities (such as processes, core competency, leadership, human capital, and facilities) required for long-term support of NASA's mission.

(3) Ensure the appropriate integration of these institutional requirements, capabilities, and resources in support of programs, projects, and missions assigned to the Center.

(4) Ensure training is provided to personnel involved in the acquisition process so that they are fully proficient across the range of management, technical, and business disciplines necessary to carry out their individual responsibilities.

(5) Ensure that a risk-informed acquisition process is included in their risk management activities. This risk-informed acquisition process shall include acquisition performance requirements and measures and the identification, analysis, and management of programmatic, infrastructure, technical, environmental, safety, cost, schedule, management, industry, and external policy risks that might jeopardize the success of acquisition plans and strategies.

i. Program and project managers or equivalent shall:

(1) Consider the full spectrum of acquisition approaches when developing an acquisition strategy and base acquisition on realistic planning, cost, and schedule.

(2) Ensure that organizations having a substantive interest in an acquisition are effectively integrated into the acquisition process as early as appropriate and throughout the duration of the organizations' interest.

(3) Document program or project commitments (and changes) and be accountable for programmatic or institutional, technical, cost, and schedule performance of the acquisitions for which they are responsible.

(4) Ensure that a risk-informed acquisition process is included in their risk management activities. This risk-informed acquisition process shall include acquisition performance requirements and measures and the identification, analysis, and management of programmatic, infrastructure, technical, environmental, safety, cost, schedule, management, industry, and external policy risks that might jeopardize the success of acquisition plans and strategies.

(5) Ensure program and project controlling documents are up to date as needed, including supporting the annual NASA budget preparation cycle.

(6) Respect and appropriately maintain the relationship between NASA, as the customer, and its contractors and suppliers, including their separate roles and responsibilities. When dealing with external suppliers, speak with a single voice for the Agency and represent NASA's interests.

j. The Assistant Administrator for the Office of Infrastructure and Administration shall:

(1) Manage Agency acquisition activities related to real property programs that include NASA aircraft, facility design and construction, facility maintenance and repair, utilities systems and supplies, operations, utilization and real estate acquisition and disposal management, and management of the Construction of Facilities (CoF) resources.

k. The NASA Chief Financial Officer shall:

(1) Oversee all financial management activities relating to acquisition.

(2) Develop and maintain the integrated Agency Financial Management System and its financial products.

(3) Work with PA&E on the budgeting phase and lead the execution phase of the PPBE process.

l. The NASA Chief, Safety and Mission Assurance shall:

Provide leadership, policy direction, functional oversight, assessment, and coordination of the disciplines and processes related to safety, reliability, maintainability, and quality assurance.

m. The NASA Chief Engineer shall:

(1) Provide leadership, policy direction, functional oversight, assessment, and coordination of program and project management, including earned value management; assessment of programmatic, institutional, cost, technical, and schedule performance measures; and program integration.

(2) Provide leadership and support of the development and application of NASA's acquisition policy.

n. The NASA Chief Information Officer shall:

Ensure that NASA's information assets are acquired and managed consistently with Federal policies, procedures, and legislation and that the Agency's Information Resource Management (IRM) strategy is aligned with NASA's vision, mission, and strategic goals.

o. The Office of the General Counsel shall:

Ensure that NASA complies with all applicable acquisition laws and regulations.

p. The Office of External Relations shall:

(1) Coordinate all NASA international cooperative and reimbursable activities and partnerships, as well as Agency-level policy interactions with executive branch departments and agencies.

(2) Review procurements from foreign entities as defined in the NASA FAR Supplement.

## 6. DELEGATION OF AUTHORITY

None.

## 7. MEASUREMENTS

Senior management's evaluation of performance for compliance and implementation of the policy stated in this NPD rests to a large extent on the body of requirements documents identified in Attachment C.

Compliance with this policy will be ensured by internal and external controls and the responsibilities defined in Section 5, Responsibility.

## 8. CANCELLATION

None.

**/s/ Michael D. Griffin**  
**Administrator**

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## ATTACHMENT A: GLOSSARY

A.1 Acquisition -- The process for obtaining the systems, research, services, construction, and supplies that NASA needs to fulfill its mission.

A.2 Acquisition Strategy Meeting (ASM) -- A forum where senior Agency management reviews major acquisitions in programs, projects, or activities before authorizing budget expenditures. The ASM is held at the Mission Directorate/Mission Support Office level, implementing the decisions that flow out of the ASP meeting and recommending implementation plans for approval. (See section 1.A.3.)

A.3 Acquisition Strategy Planning Meeting -- A forum that provides an early view of potential major acquisitions so that senior leaders can consider issues such as the appropriate application of new Agency and Administration initiatives, current portfolio risk and implications to the future portfolio, high-level make-or-buy strategy, and the placement of development or operations work in-house versus out-of-house. It also provides the strategic framework for addressing challenges associated with fully utilizing NASA Centers' capabilities, including workforce and infrastructure, and shaping the Agency over time.



A.4 Activity -- Any of the project components or research functions that are executed to deliver a product or service or provide support or insight to mature technologies.

A.5 Approval -- Authorization by a required management official to proceed with a proposed course of action. Approvals must be documented.

A.6 Binding Agreement -- The statement (oral or written) of an exchange of promises. Any change to the agreement requires a mutual modification or amendment to the agreement or a new agreement. Parties to a binding agreement can be held accountable for its proper execution.

A.7 Budget -- A detailed statement of anticipated revenues and expenditures for a specified period of time with information on the purposes for which the funds will be used.

A.8 Commitment -- A responsibility or obligation that must be performed because of a legal or moral duty.

A.9 Competition -- An acquisition strategy whereby more than one Center or contractor is sought to bid or propose in order to provide a service or function; the awardee is selected on the basis of criteria established by the activity for which the work is to be performed. The law and NASA policy require maximum competition throughout the acquisition life cycle.

A.10 Core Competencies -- Key areas of expertise that are critical to an organization's long-term success and represent the most significant value--creating skills within the organization.

A.11 Core Values - NASA's core values are safety, excellence, teamwork, and integrity.

A.12 Control Account Managers -- Senior Agency officials who manage major budgetary accounts and are responsible for development and execution of the budget content for those accounts.

A.13 Customer -- The organization or individual that has requested a product or service and that will receive the product or service. The customer may be an end user of the product, the acquiring agent for the end user, or the requestor of the work products from a technical effort.

A.14 Deviation -- A documented authorization releasing a program or project from meeting a requirement before the requirement is put under configuration control at the level the requirement will be implemented.

A.15 Funding (Budget Authority) -- The authority to incur financial obligations that will result in outlays. Authority is delegated through the formal funds distribution process.

A.16 Governance -- The combination of policies, principles, and structures through which the Agency directs, manages, and monitors the activities of NASA toward the achievement of its objectives.

A.17 Implementation -- The execution of approved plans for the development and operation of the program/project and the use of control systems to ensure performance to approved plans and continued alignment with the Agency's strategic needs, goals, and objectives.

A.18 Life-Cycle Cost (LCC) -- The total of the direct, indirect, recurring, nonrecurring, and other related expenses incurred or estimated to be incurred in the design, development, verification, production, operation, maintenance, support, and disposal of a project. The LCC of a project or system also can be defined as the total cost of ownership over the project's or system's life cycle from formulation through implementation. It includes all design, development, deployment, operation and maintenance, and disposal costs.

A.19 Major Acquisition -- Major acquisitions are those that are directed at and critical to fulfilling the Agency's mission, entail the allocation of relatively large resources, and warrant special management attention.

A.20 Mission -- The core functions and jobs of the Agency.

A.21 Mission Success -- The fulfillment of NASA's charter to pioneer the future in space exploration, scientific discovery, and aeronautics research in accordance with prescribed requirements (both internal and external) and NASA's core values of safety, excellence, teamwork, and integrity. (Where appropriate, individual NASA organizations should establish and document a more specific mission success definition that focuses on their particular area of responsibility.)

A.22 Mutuality -- A reciprocal and mutually binding agreement/ relationship between two or more people.

A.23 Oversight -- To actively monitor the implementation of assigned actions, policies, and procedures. Headquarters officials with an oversight role have the responsibility to establish and track performance parameters to ensure assignees are properly implementing their actions, policies, and procedures.

A.24 Process -- A set of activities used to convert inputs into desired outputs to generate expected outcomes and satisfy a purpose.

A.25 Procurement -- The acquiring by contract with appropriated funds of supplies or services (including construction) by and for the use of the Federal Government through purchase or lease, whether the supplies or

services are already in existence or must be created, developed, demonstrated, and evaluated.

A.26 Procurement Strategy Meeting -- A forum where management reviews and approves the approach for the Agency's major procurements. Detailed PSM requirements and processes, prescribed by the FAR and NFS and formulated by the Office of Procurement, ensure the alignment of portfolio, mission acquisition, and subsequent procurement decisions.

A.27 Product -- A part of a system consisting of end products that perform operational functions and enabling products that perform life-cycle services related to the end product or a result of the technical efforts in the form of a work product (e.g., plan, baseline, or test result).

A.28 Services -- Activities whose primary purpose is to perform an identifiable task rather than to furnish an end item of supply.

A.29 Signature -- A distinctive mark, characteristic, or thing that indicates identity; one's name as written by oneself.

A.30 Strategic Management/Strategic Management System -- A series of integrated activities that enable the Agency to establish and execute strategy, make decisions, allocate resources, formulate and implement programs and projects, and measure their performance. The comprehensive set of processes that NASA follows is collectively called the strategic management system, which is described in NPD 1000.0.

A.31 Supplier -- An individual, partnership, company, corporation, association, or other service having a contract or agreement for the design, development, manufacture, maintenance, modification, or supply of items under the terms of a contract or agreement. A government activity performing any or all of the above is considered a supplier.

A.32 Tailoring -- The process used to adjust or seek relief from a prescribed requirement to accommodate the needs of a specific task or activity (e.g., program or project).

A.33 Technical Authorities -- The individuals within the technical authority process who are funded independently of a program or project and who possess formally delegated Technical Authority traceable to the Administrator. Three organizations have Technical Authorities: Engineering, Safety and Mission Assurance, and Health and Medical.

A.34 Technical Authority -- The technical authority process by which Engineering, Safety and Mission Assurance, and Health and Medical provide independent oversight of programs and projects through specific individuals who have formally delegated authority at specific organizational levels.

A.35 Waiver -- A documented authorization releasing a program or project from meeting a requirement after the requirement is put under configuration control at the level the requirement will be implemented. Note that Agency and Center directives and policy documents are considered to be baselined and under configuration control when issued.

## **ATTACHMENT B: ACRONYMS**

ASM Acquisition Strategy Meeting

ASP Acquisition Strategy Planning

CFR Code of Federal Regulations

CM Configuration Management

CoF Construction of Facilities

COTR Contracting Officer's Technical Representative

FAR Federal Acquisition Regulation

FMR Financial Management Requirements

IPAO Independent Program Assessment Office

IRM Information Resource Management

IT Information Technology

JPL Jet Propulsion Laboratory

NFS NASA FAR Supplement

NPD NASA Policy Directive

NPR NASA Procedural Requirements

OCFO Office of the Chief Financial Officer  
OMB Office of Management and Budget  
PPBE Planning, Programming, Budget, and Execution  
PSM Procurement Strategy Meeting  
QA Quality Assurance  
SRM Safety, Reliability, and Maintainability  
U.S.C. U.S. Code

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## ATTACHMENT C: GUIDE TO FURTHER INFORMATION

### References

Documents are cited in the following order: United States Code (U.S.C.), Code of Federal Regulations (CFR), OMB Circular, NPD, NPR, NASA Standard, nonNASA government standard, and other document.

### External Legislative and Governing Documents

1. 42 U.S.C. 2473(c)(1), Section 203(c)(1) of the National Aeronautics and Space Act of 1958, as amended. (<http://history.nasa.gov/spaceact-legishistory.pdf>)
2. 40 U.S.C. 1401 et seq., the Clinger-Cohen Act of 1996 (Section 808 of Pub. L. 104-208; renaming, in pertinent part, the Information Technology Management Reform Act, Division E of Pub. L. 104-106). ([http://www.cio.gov/Documents/it\\_management\\_reform\\_act\\_Feb\\_1996.html](http://www.cio.gov/Documents/it_management_reform_act_Feb_1996.html))
3. Public Law, 85-536, Small Business Act, as amended. (<http://www.sba.gov/regulations/sbaact/sbaact.html>)
4. 22 CFR Parts 120-130, International Traffic in Arms Regulations (ITAR). ([http://www.access.gpo.gov/nara/cfr/waisidx\\_05/22cfrv1\\_05.html](http://www.access.gpo.gov/nara/cfr/waisidx_05/22cfrv1_05.html))
5. 48 CFR Chapter 1, Federal Acquisition Regulation. (<http://www.arnet.gov/far>)
6. OMB Circular A-11, Preparation and Submission of Budget Estimates. ([http://www.whitehouse.gov/omb/circulars/a11/current\\_year/a11\\_toc.html](http://www.whitehouse.gov/omb/circulars/a11/current_year/a11_toc.html))
7. OMB Circular A-109, Major System Acquisitions, April 1976. (<https://akss.dau.mil/Documents/Policy/OMB%20Circular%20A-109.doc>)

### NASA Policy Directives and Procedural Requirements

(NASA Library: NASA Online Directives Information System (NODIS), <http://nodis3.gsfc.nasa.gov> )

1. NPD 1000.0, NASA Governance and Strategic Management Handbook.
2. NPD 1000.3, The NASA Organization.
3. NPD 1001.0, 2006 NASA Strategic Plan.
4. NPD 1050.1, Authority to Enter Into Space Act Agreements.
5. NPD 1080.1, Policy for the Conduct of NASA Research and Technology (R&T).
6. NPD 1210.2, NASA Surveys, Audits, and Reviews Policy.
7. NPD 1360.2, Initiation and Development of International Cooperation in Space and Aeronautics Programs.
8. NPD 2820.1, NASA Software Policy.
9. NPD 5000.2, Uniform Methodology for Determination of Small Disadvantaged Business Subcontracting Goals.
10. NPD 5100.4, Federal Acquisition Regulation Supplement (NASA/FAR Supplement).
11. NPD 5101.1, Requirements for Legal Review of Procurement Matters.
12. NPD 5101.32, Procurement.
13. NPD 7100.8, Protection of Human Research Subjects.
14. NPD 7120.4, Program/Project Management.

15. NPD 7330.1, Approval Authorities for Facility Projects.
16. NPD 7410.1, Management of Contract and Grant Support Services Obtained From External Sources.
17. NPD 8700.1, NASA Policy for Safety and Mission Success.
18. NPD 8710.2, NASA Safety and Health Program Policy.
19. NPD 8730.5, NASA Quality Assurance Program Policy.
20. NPD 8820.2, Design and Construction of Facilities.
21. NPD 8900.5, NASA Health and Medical Policy for Human Space Exploration.
22. NPD 9501.1, NASA Contractor Financial Management Reporting System.
23. NPR 1080.1, Requirements for the Conduct of NASA Research and Technology (R&T).
24. NPR 2190.1, NASA Export Control Program.
25. NPR 5101.33, Procurement Advocacy Programs.
26. NPR 5800.1, Grant and Cooperative Agreement Handbook.
27. NPR 5810.1, Standard Format for NASA Research Announcements (NRAs) and other Announcements for Grants and Cooperative Agreements.
28. NPR 5900.1, NASA Spare Parts Acquisition.
29. NPR 7120.5, NASA Space Flight Program and Project Management Requirements.
30. NPR 7120.6, Lessons Learned Process.
31. NPR 7120.7, Information Technology and Institutional Infrastructure Program and Project Management Requirements.
32. NPR 7120.8, NASA Research and Technology Program and Project Management Requirements.
33. NPR 7123.1, NASA Systems Engineering Processes and Requirements.
34. NPR 8000.4, Risk Management Procedural Requirements.
35. NPR 8580.1, Implementing the National Environmental Policy Act and Executive Order 12114.
36. NPR 8705.2, Human-Rating Requirements for Space Systems.
37. NPR 8705.5, Probabilistic Risk Assessment (PRA) Procedures for NASA Programs and Projects.
38. NPR 8715.3, NASA General Safety Program Requirements.
39. NPR 8735.2, Management of Government Quality Assurance Functions for NASA Contracts.
40. NPR 8820.2, Facility Project Requirements.
41. NPR 9501.2, NASA Contractor Financial Management Reporting.

### **Information Systems and Sources**

1. NASA library: NASA Acquisition Internet Service (<http://prod.nais.nasa.gov>)
2. Office of Procurement Home Page: (<http://www.hq.nasa.gov/office/procurement>)
3. NASA Lessons Learned Information System (LLIS) <http://lldp.nasa.gov/offices/oce/llis/home>

### **Internal Standards and Guides**

1. 48 CFR Chapter 18, NASA Federal Acquisition Regulation (FAR) Supplement (NFS). (<http://www.hq.nasa.gov/office/procurement/regs/>)
2. NASA FAR Supplement, Part 1807.170, Procurement Strategy Meeting ([http://www.hq.nasa.gov/office/procurement/regs/1807.htm#7\\_107-70](http://www.hq.nasa.gov/office/procurement/regs/1807.htm#7_107-70))
3. NASA Financial Management Requirements (FMR), Vol 4, Chapter 3. (<http://www.hq.nasa.gov/cfo/internal/fmr>)
4. NASA Cost Estimating Handbook (2008). ([http://www.nasa.gov/offices/pae/organization/cost\\_analysis\\_division.html](http://www.nasa.gov/offices/pae/organization/cost_analysis_division.html))
5. Science Plan for NASA's Science Mission Directorate ([http://nasascience.nasa.gov/about-us/science-strategy/Science\\_Plan\\_07.pdf](http://nasascience.nasa.gov/about-us/science-strategy/Science_Plan_07.pdf))
6. Guidebook for Proposers Responding to a NASA Research Announcement (<http://www.hq.nasa.gov/office/procurement/nraguidebook/proposer2008.pdf>)

7. Guide for Successful Headquarters Procurement Strategy Meetings (PSMs)  
(<http://ec.msfc.nasa.gov/hq/library/PSMs.html>)

8. Strategic Management Handbook  
([http://nodis3.gsfc.nasa.gov/npg\\_img/N\\_PD\\_1000\\_000A\\_/N\\_PD\\_1000\\_000A\\_.pdf](http://nodis3.gsfc.nasa.gov/npg_img/N_PD_1000_000A_/N_PD_1000_000A_.pdf))

9. Official letter, Implementing NASA's Procurement Tenets, to Officials-in-Charge of Headquarters Offices, Directors, NASA Centers, from the NASA Deputy Administrator, August 1, 2008  
(<https://acc.dau.mil/GetAttachment.aspx?id=228902&pname=file&aid=37012&lang=en-US>)

#### **External Standards, Reports, and Guides**

1. ANSI/EIA 748, Earned Value Management Systems.

2. DoD 5000.1, The Defense Acquisition System, May 12, 2003  
([www.dtic.mil/whs/directives/corres/pdf/500001p.pdf](http://www.dtic.mil/whs/directives/corres/pdf/500001p.pdf))

3. Framework for Assessing the Acquisition Function at Federal Agencies, U.S. Government Accountability Office, September 2005 ([www.gao.gov/cgi-bin/getrpt?GAO-05-218G](http://www.gao.gov/cgi-bin/getrpt?GAO-05-218G))

(URL for Graphic)  
None.

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